



**Virginia Retirement System**  
**Presentation to**  
**Joint Legislative Audit and Review**  
**Commission**

Presented by  
W. Forrest Matthews  
Director  
July 12, 2004

## Agenda

- VRS Overview
- Funding of the System
- Current Activities
- Future Activities

## **VRS Board Members**

- Alfonso I. Samper,  
Chair
- Paul W. Timmreck,  
Vice Chair
- John M. Albertine, Ph.D.
- Edwin T. Burton, Ph.D.
- Robert C. Carlson
- J. Douglas Conway
- Judith Ewell, Ph.D.
- Vernard W. Henley
- Raymond B. Wallace, Jr.

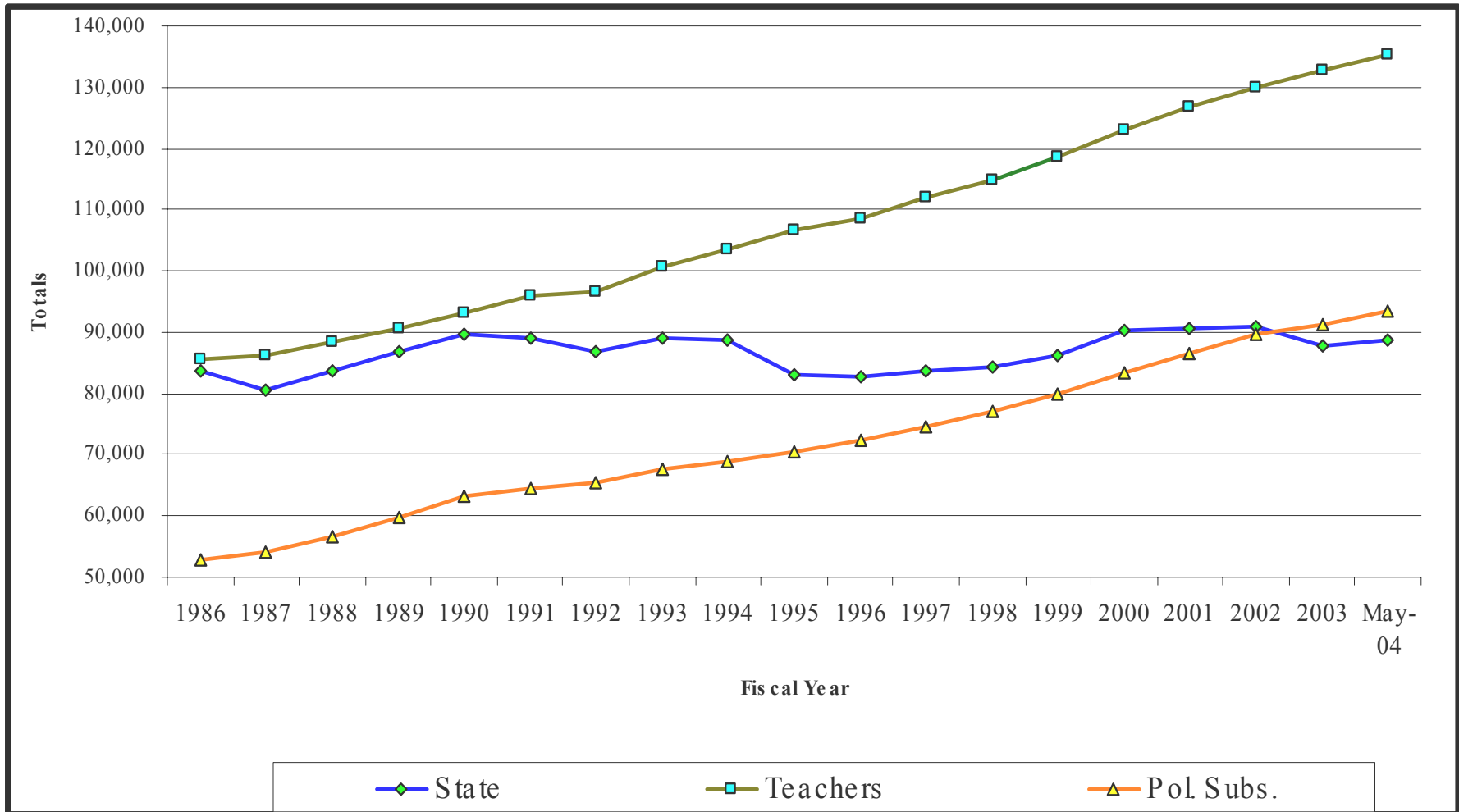
# **VRS Overview**

- VRS is the 30<sup>th</sup> largest public or private pension system in the U.S.
- The 47<sup>th</sup> largest internationally
- Over 520,000 members, retirees, beneficiaries

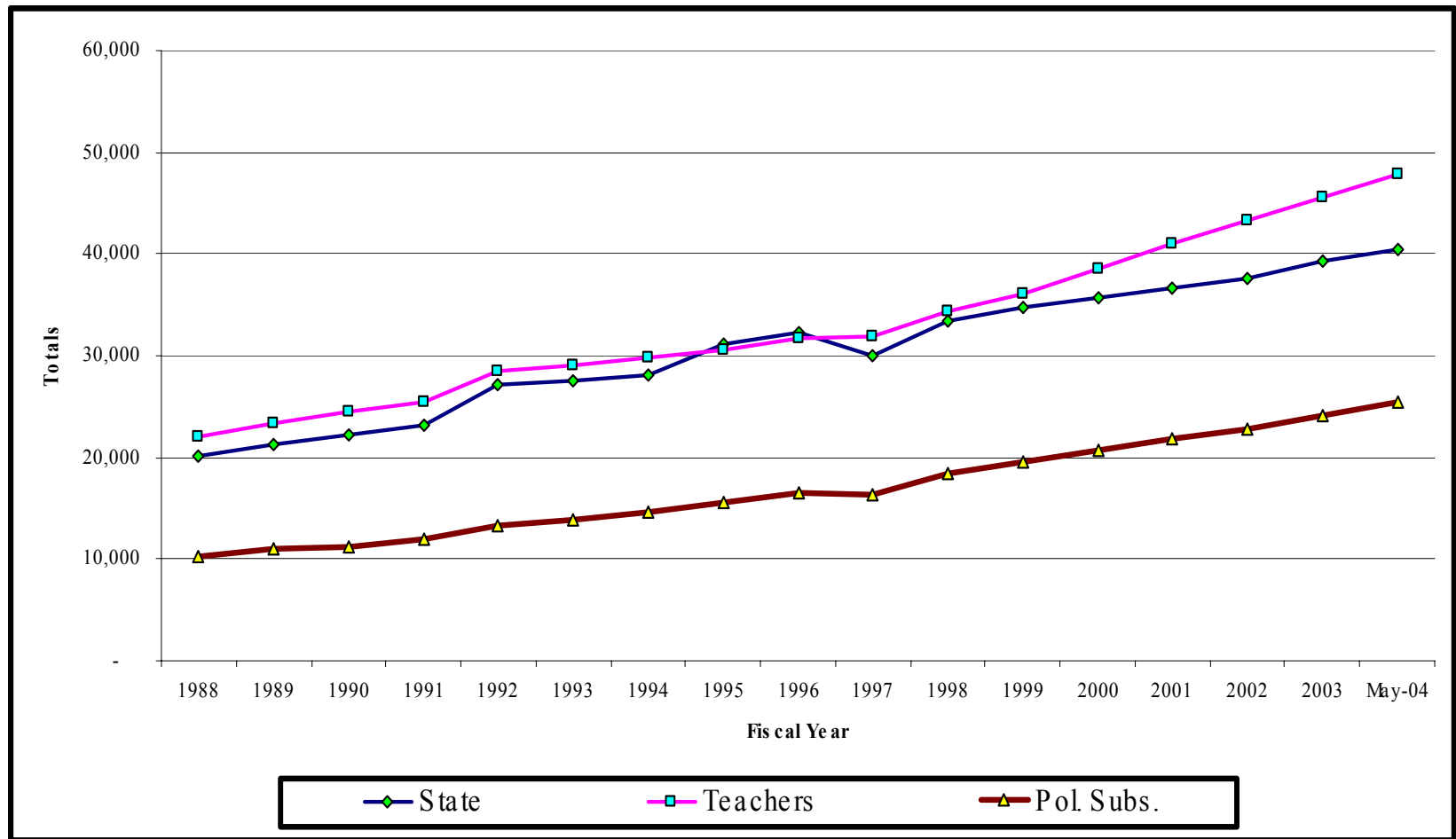
## VRS Total Membership

State Employees	76,889
Teachers	135,340
Political Subdivisions	93,388
State Police Officers' Retirement System (SPORS)	1,757
Judicial Retirement System (JRS)	398
Virginia Law Officers' Retirement System (VaLORS)	9,571
<b>Total</b>	<b>317,343</b>
Retiree/Beneficiaries	113,569
Inactive/Deferred Members	89,965
<b>VRS Overall Impact</b>	<b>520,877</b>

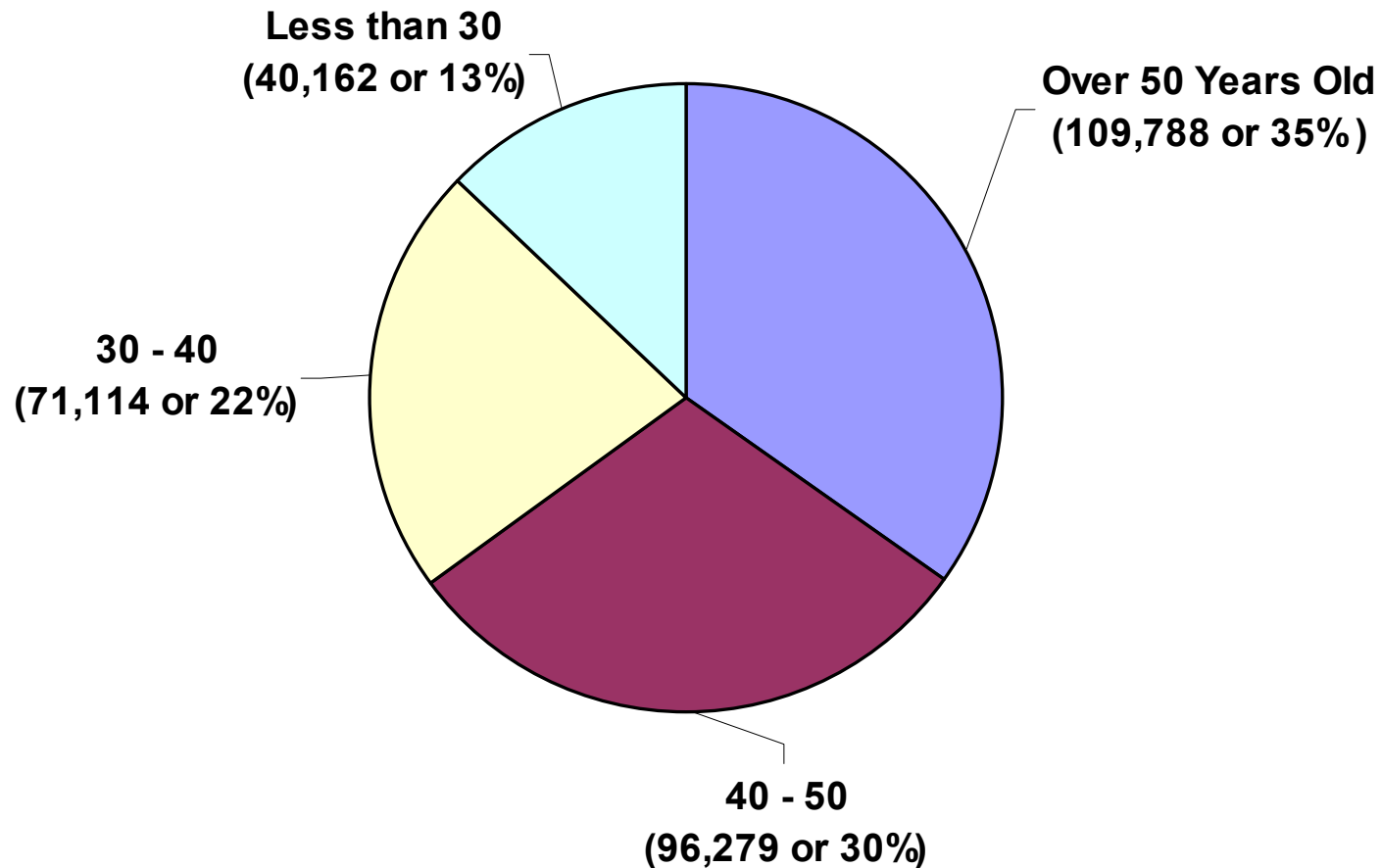
# VRS Membership



## VRS Retirees



## Age Categories of Active Members



## **Employer Contribution Rates**

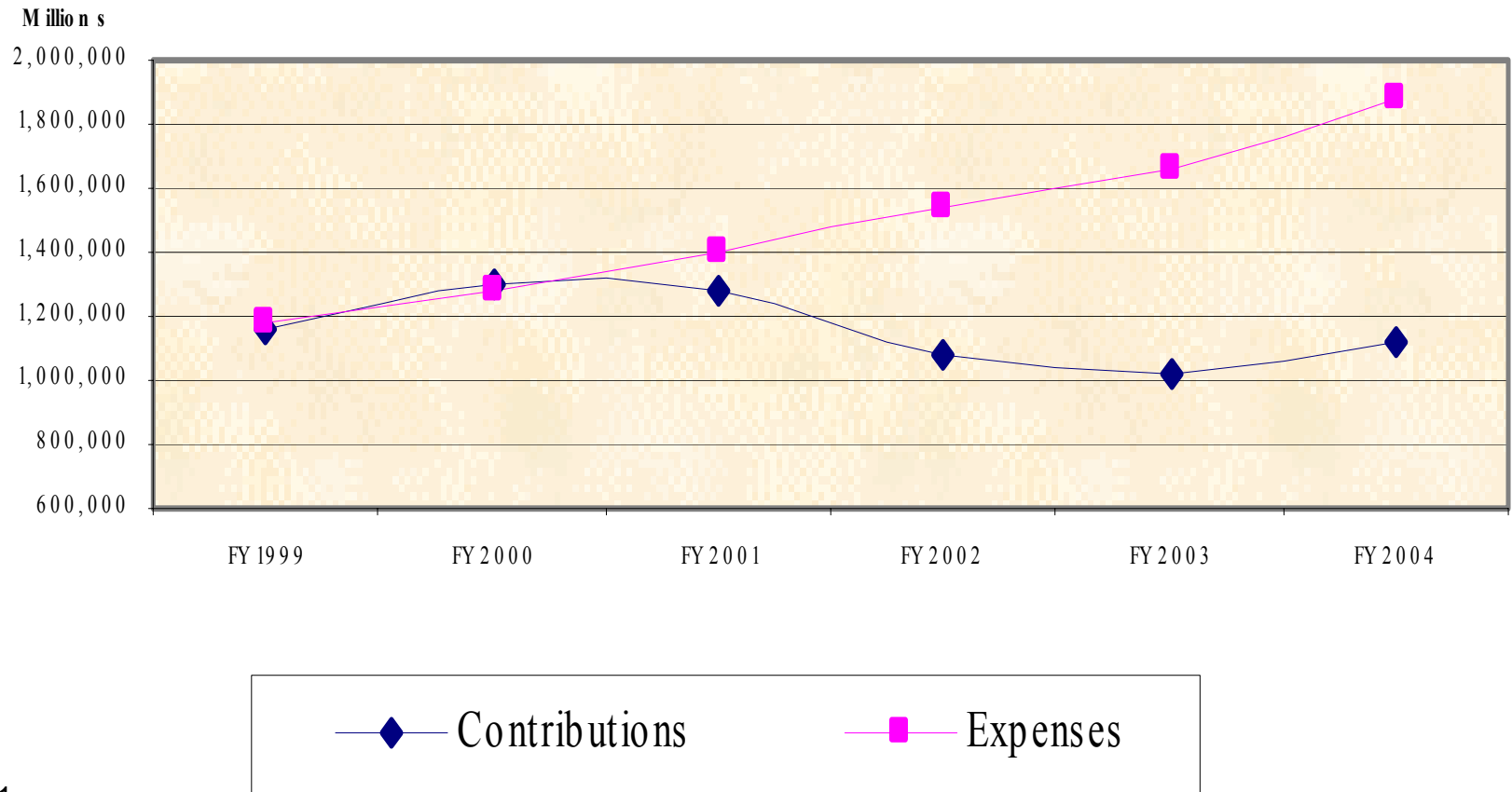
	<b>Teacher</b>	<b>State</b>	<b>SPORS</b>	<b>JRS</b>	<b>VaLORS</b>
Retirement ( FY '05)	6.03%	3.91%	16.49%	30.55%	16.99%
Retirement (FY '06)	6.62%	3.91%	16.49%	30.55%	16.99%
Health Insurance Credit (FY '05 and FY '06)	0.55%	1.04%	1.04%	1.04%	1.04%
Group Life Insurance (FY '05 and FY '06)	0%	0%	0%	0%	0%

### **Locality Rates Increases**

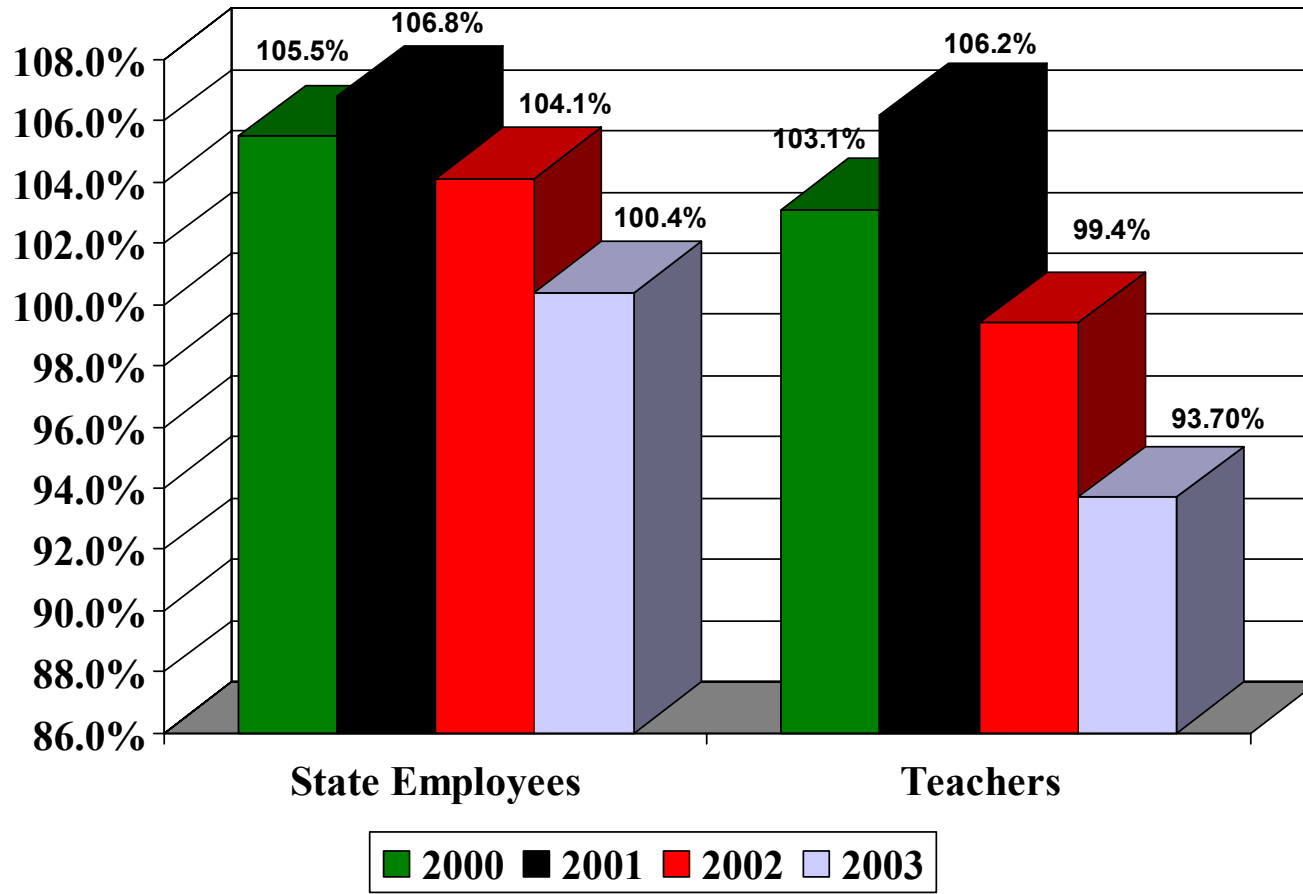
- Performance of financial markets
- Increase in disability retirements
- Payroll changes
- Purchase of Prior Service

# Funding of the System

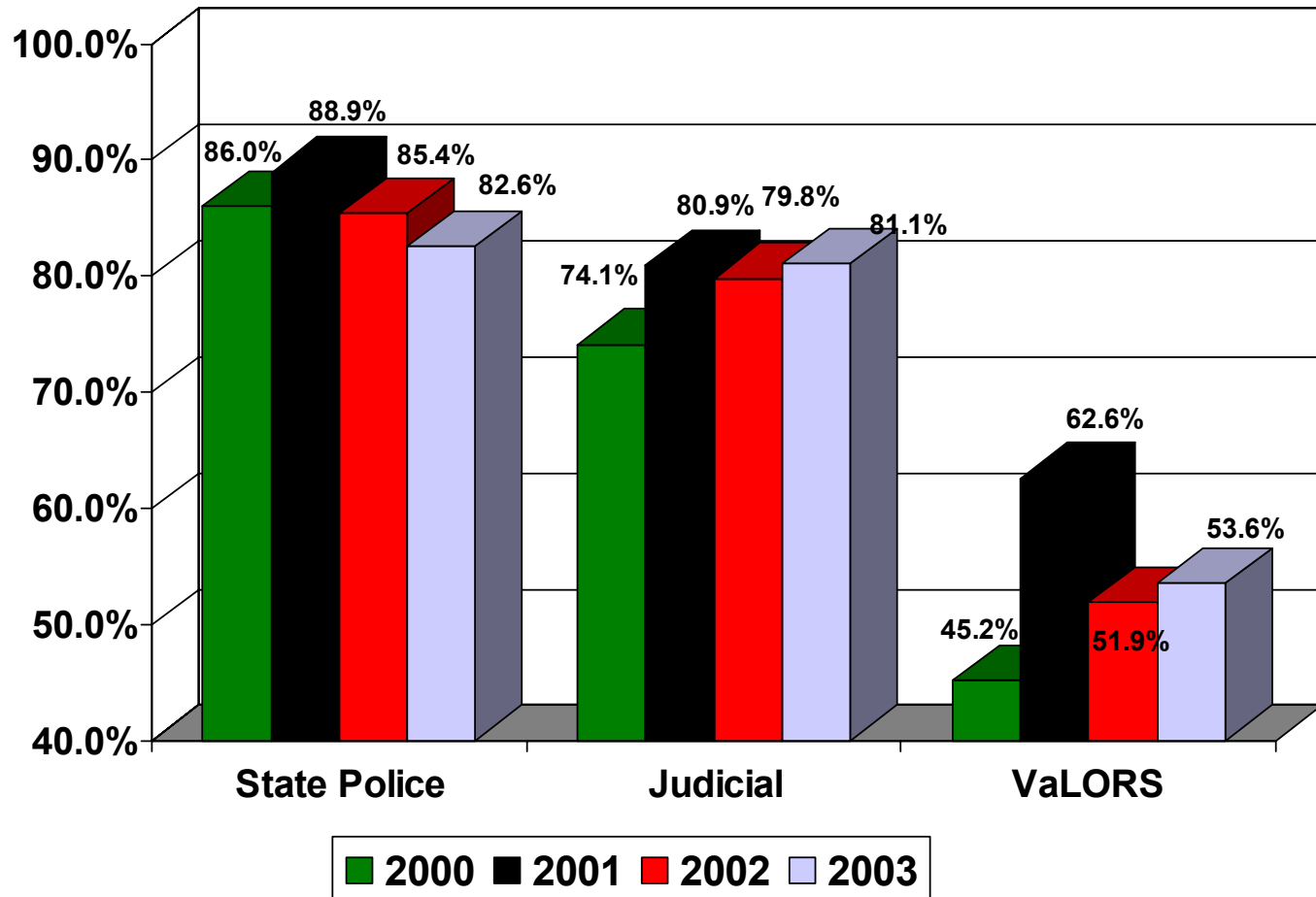
## Contributions vs. Expenses



## Funded Ratios



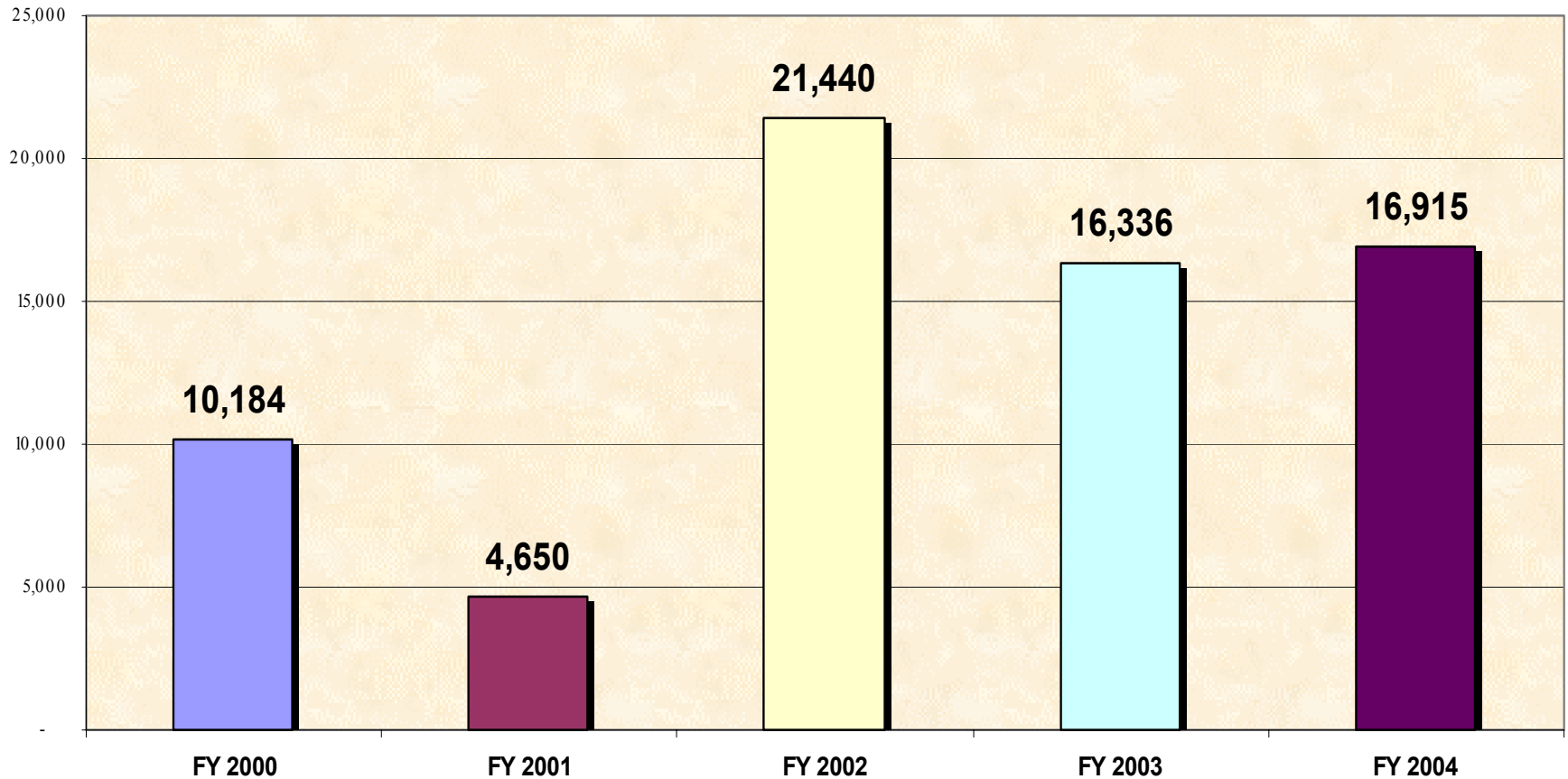
## Funded Ratios



### **VRS 2004 Initiatives**

- Documentation of processes
- Succession planning
- Client readiness
- Employer manual produced

## Purchase of Prior Service



## Cost Effectiveness Measurement, Inc.

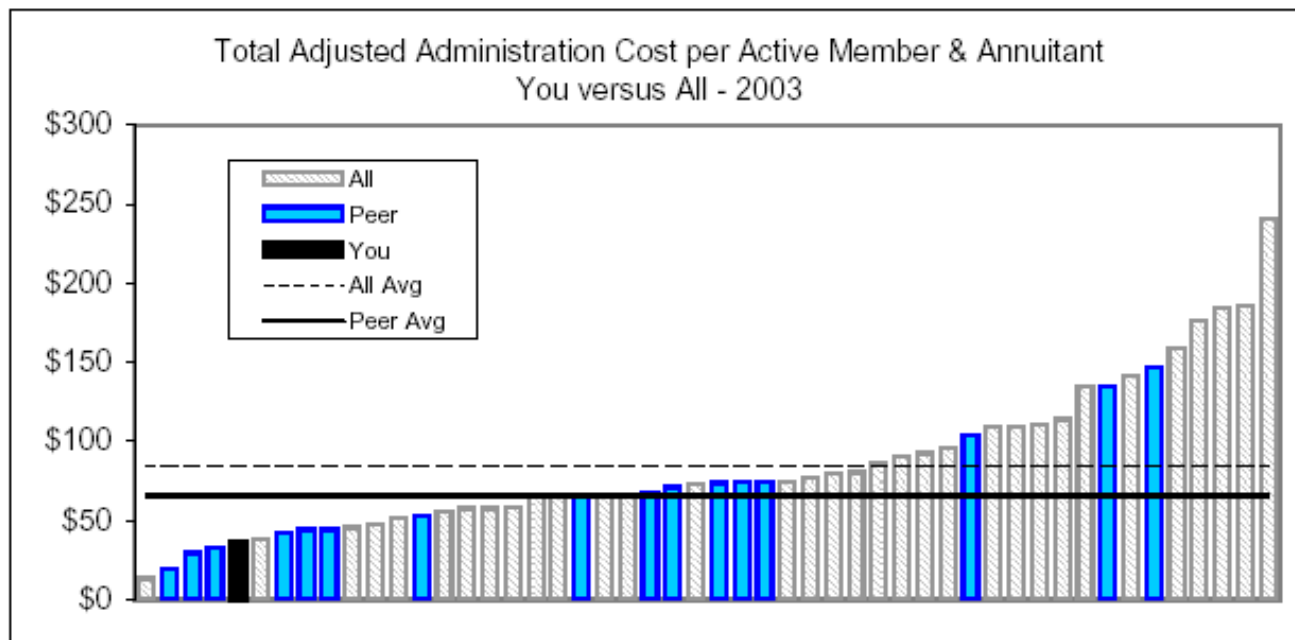
52 leading global pension systems participate in the Service.

Current Participants		
<b><u>United States</u></b>		
Arizona SRS	Pennsylvania PSERS	<b><u>Australia</u></b>
CalPERS	South Carolina RS	Australia Post
CalSTRS	STRS Ohio	ComSuper
Idaho PERS	Texas MRS	GESB Western Australia
Illinois MRF	TRS Louisiana	GSO Victoria
Indiana State TRF	Virginia RS	Pillar Administration
Iowa PERS	Washington State DRS	QSuper
Kern County ERA		RBF Tasmania
Kansas PERS		Super SA
Los Angeles County ERA		Telstra Super
Michigan MERS	<b><u>The Netherlands</u></b>	UniSuper
Michigan ORS	ABP Pensioen	
Missouri State ERS	Bpf Bouw	<b><u>Canada</u></b>
Nevada PERS	Pensioenfond Metaal & Techniek	CIBC
New Jersey DP&B	Pensioenfond PGGM	Defence Canada
North Carolina RS	Bpf Metalektro	Local Authorities Pension Plan
New York City Teachers RS*	Shell Pensioenfond	Nova Scotia
New York State & Local		Ontario Municipal ERS
Ohio PERS		Ontario Teachers' Pension Plan
Oregon PERS		OPTrust
		Public Works & Gov't Service*
		Quebec Pension Plan

\* CEM is currently working to finalize these two participants' data. Their data is not included in this report.

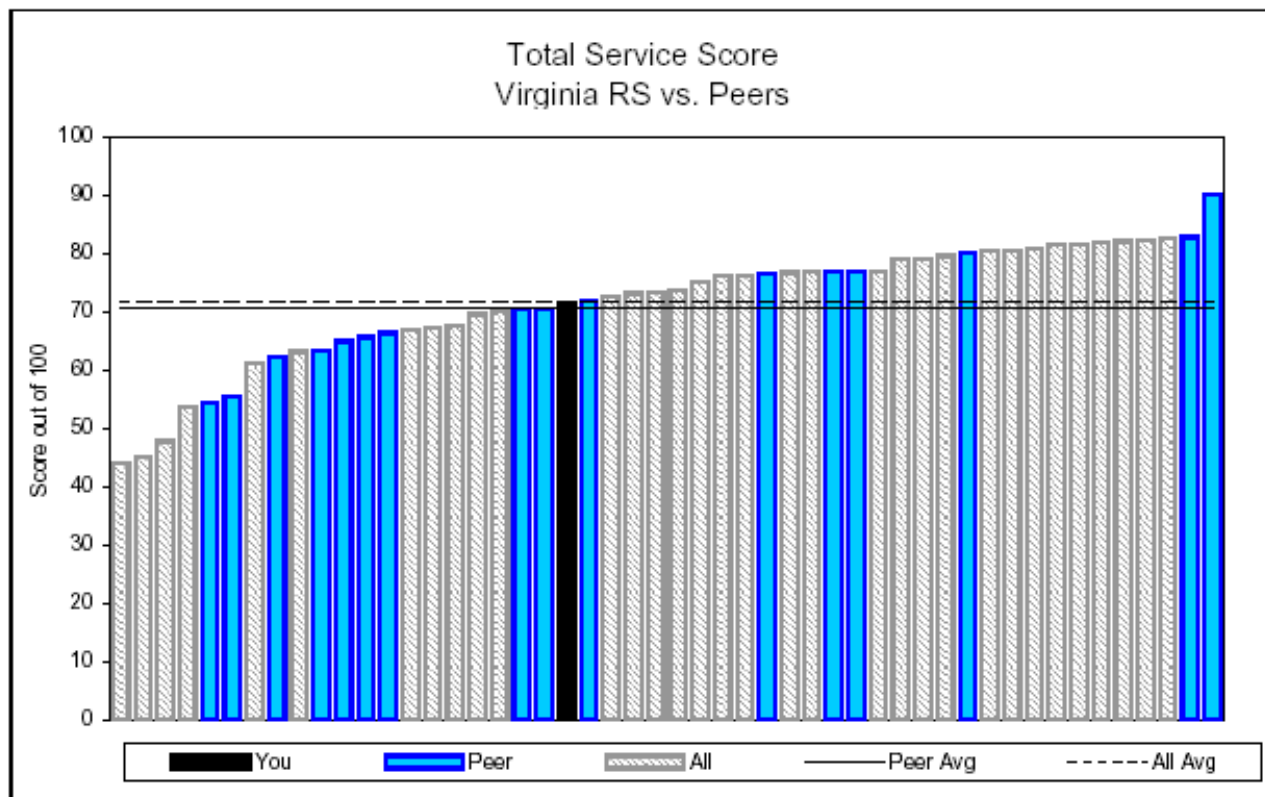
## Cost Effectiveness Measurement, Inc.

**Your Total Adjusted Administration cost was \$36 per active member & annuitant. This is below the peer average of \$65.**



## Cost Effectiveness Measurement, Inc.

Your Total Service Score is 72. This compares to averages of 71 for your peers and 71 for all participants.



## **Agency Initiatives**

- Knowledge Management System (KMS)
- Content Manager
- Telephony Solution
- Strategic Planning
- House Joint Resolution 34

# Virginia Retirement System

